

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 8077

BILL NUMBER: SB 472

DATE PREPARED: Feb 20, 2001

BILL AMENDED: Feb 20, 2001

SUBJECT: Voting Systems and Municipal Elections.

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FUNDS AFFECTED: X

**GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: (Amended) This bill provides that a voting system that (1) records votes with a minimal error rate; and (2) produces a paper or hard copy back-up showing the votes cast; must be used in a county having a consolidated city for elections after December 31, 2002. The bill requires a county having a consolidated city to use the amount of the 1999 municipal election expenses incurred by the county to pay for a voting system that meets the statutory requirements. It permits a grant from the state to pay the difference between the cost of purchasing a voting system that meets the statutory requirements and the amount of the 1999 municipal election expenses incurred in the county. The bill also appropriates sufficient money from the state General Fund to pay for the grant. The bill requires municipal offices in a county having a consolidated city to be filled at elections held during even numbered years. It also provides that the successors of individuals elected to a local office at the 1999 municipal election in a county having a consolidated city take office January 1, 2005.

Effective Date: July 1, 2001.

Explanation of State Expenditures: (Revised) The Auditor of State would be required to provide a grant for a portion of the expenditure for an Election Commission-approved voting system purchased by Marion County which produces a paper or hard copy backup. The amount of expenditure required to be paid by the State is the difference of the cost of an approved voting system less the amount of expenses incurred by Marion County in the 1999 municipal primary and general election. The estimated State grant would be approximately \$1.9 M to \$8.6 M in order to cover the remaining cost of converting from Marion County's lever machines to an updated voting system. Under the bill, required funds necessary for a grant to Marion County would be appropriated from the State General Fund beginning on July 1, 2001. Marion County will be required to transfer an amount equal to the expenditures made in the 1999 municipal election to the Marion County Voting System Purchase Fund by January 1, 2003. The County would be required to purchase an approved voting system by January 1, 2004. Therefore, between FY 2002 and FY 2004, the County could apply for a grant to replace existing lever machines.

The Census Data Advisory Committee would be required over the 2001 interim to prepare appropriate legislation to do the following:

- 1) amend Title 3 of the Indiana Code to implement the provisions of this bill to require Marion County to meet the requirement of adoption of an Election Commission voting system for all elections after the 2002 general election.
- 2) amend Title 3 of the Indiana Code to implement provisions of this bill in order to provide the Marion County municipal election is held in even-numbered years.

The Legislative Services Agency already provides the staff to the Census Data Advisory Committee required to implement this provision. The costs involved in this provision should be absorbable within the Legislative Services Agency's current budget.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) This bill has two major provisions which will impact Marion County expenditures. First, the bill would require the County to establish the County Voting System Purchase Fund. Second, the bill requires that Marion County municipal offices are to be filled in even-numbered years, and the successors of the individuals elected to local offices in the 1999 municipal election held in Indianapolis are to take office in January 1, 2005. This effectively eliminates the need for a municipal election in Marion County in 2003. The County is required to transfer from the County General Fund an amount equal to the amount spent by the County to conduct the 1999 municipal election to the County Voting System Purchase Fund, by January 1, 2003. This amount would be used for expenditures for an Election Commission-approved voting system.

For the first provision, estimated expenditures for Marion County to purchase an approved voting system could range from \$2.9 M to \$9.6 M. In a separate analysis, the Marion County Voting Technology Task Force has estimated the cost to replace existing lever machines with an approved voting system could range from \$4.0 M to \$10.7 M to implement.

The second provision would require the transfer of approximately \$1 M to cover part of the expense of the new voting system (Marion County estimated the budgeted costs of the 1999 municipal primary were \$492,000, and budgeted costs for the 1999 municipal general election were \$500,000.) The net impact is estimated by the Office of Fiscal and Management Analysis to range from \$1.9 M to \$8.6 M. Marion County may apply for a State grant for the remainder of expenditures, for an approved voting system, not covered by the balance of the County Voting System Purchase Fund.

Background: Currently, there are four accepted voting systems for use in elections in Indiana. The systems are punch card, lever machine, optical-scan, and direct recording electronic (DRE.) The following table illustrates the alternative voting systems that are currently approved by the Indiana Election Commission.

Manufacture/Model	Type	Cost per unit
ESS/OPTECH 3-P	Optical Scan	\$5,500
Microvote/MV464	Direct Recording Electronic	\$4,450
GBS/Accuvote ES-2000	Optical Scan	\$5,000
GBS/Accutouch TS	Direct Recording Electronic	\$3,500
Fidlar Doubleday/EV 2000	Direct Recording Electronic	N/A

Based on information provided by Government Business Systems (GBS), Election Systems and Software (ESS), Microvote, and the Indiana Election Division, some of these systems listed above are priced by precinct. Approximately one OPTECH 3-P would be required per precinct in a county adopting this voting system. There are currently 5,530 precincts in the State. As an alternative, approximately one MV464 machine would be required for every block of 300-400 registered voters in a county, or approximately 70% turnout. One Accuvote ES-2000 machine would be required per polling location. The GBS Accutouch would require three machines per precinct.

The approval by the Indiana Election Commission to market the GBS Accuvote ES-2000 expires in February 2002. Approval to market the ESS OPTECH 3-P expired October 18, 2000. However, approval to market the OPTECH 3-P precinct tabulator has been extended to March 2005. Approval for the marketing of the Microvote MV464 expires in September of 2002. Approval for marketing the GBS Accutouch and the Fidlar Doubleday EV2000 expires January 27, 2005.

In addition to the cost for the replacement/upgrade of voting machines, the estimate includes the cost for paper ballots. Optical scan systems require paper ballots. The average cost of an optical scan ballot was thirty cents in CY 2000.

Explanation of Local Revenues:

State Agencies Affected: Indiana Election Commission; Auditor of State; Legislative Services Agency; Census Data Advisory Committee.

Local Agencies Affected: Marion County.

Information Sources: Indiana Election Division; Rob McGinnis, Election Systems and Software (317) 913-0230; Steve Corey, Government Business Systems, 1-800-659-1516; Marion County Voting Technology Task Force, *Report and Recommendation to the Marion County Election Board*.